

FEDERAL RESERVE statistical release



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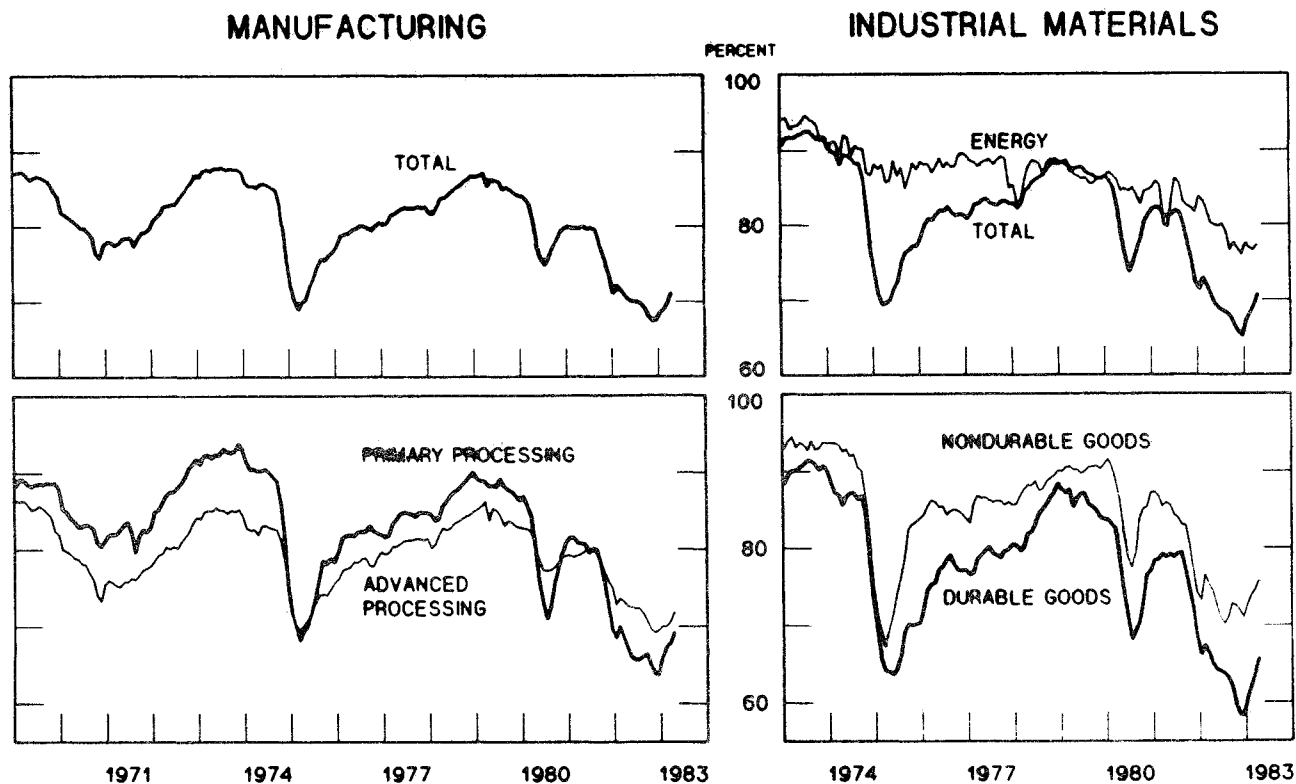
For immediate release
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS April 1983

Capacity utilization rates for manufacturing and for industrial materials production continued to rise in April, attaining their highest levels since March 1982. The manufacturing rate increased 1.3 percentage points to 71.1 percent, following gains of 0.9 percentage point in March and 0.4 percentage point in February. The materials rate was up 1.4 percentage points to 70.7 percent in April, after having risen 1.0 percentage point in each of the preceding two months.

Within manufacturing, gains in operating rates were widespread in April, and included sizable advances among industries that were especially hard hit in the past few years. Capacity utilization rates for the primary and fabricated metals industries continued to advance strongly, and operating rates for electrical and nonelectrical machinery also posted sizable gains. The April rate for motor vehicles and parts was up one percentage point to a little over 60 percent. The operating rate for petroleum refining has risen more than 5 percentage points since February, when it fell to a postwar low of about 63 percent.

Producers of durable goods materials utilized 65.7 percent of capacity, up 1.8 percentage points as activity strengthened among producers of metals, parts for equipment, and parts for consumer durables. The operating rate for producers of nondurable materials rose 1.2 percentage points to 75.8 percent. After declining in February and March, the rate for energy materials production increased 0.7 percentage point to 77.3 percent.



OUTPUT, CAPACITY AND CAPACITY UTILIZATION

Output and Capacity are Percentages of 1967 Output; Capacity Utilization is a Per Cent of Capacity.
Seasonally Adjusted

Manufacturing

SERIES	MONTHLY CAPACITY UTILIZATION															
	1973 HIGH	1975 LOW	1982 APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1983 JAN.	FEB.	MAR.	APR.	
MANUFACTURING, TOTAL	88.0	69.0	70.8	70.2	70.0	70.0	69.8	69.2	68.0	67.4	67.5	68.5	68.9	69.8	71.1	
PRIMARY PROCESSING	93.8	68.2	67.2	66.1	65.7	65.7	66.1	66.4	65.0	63.9	63.7	66.0	67.4	67.8	69.5	
ADVANCED PROCESSING	85.5	69.4	72.6	72.5	72.3	72.3	71.7	70.7	69.6	69.2	69.5	70.0	70.0	70.6	71.9	
	OUTPUT				CAPACITY				UTILIZATION							
	1982 I	II	III	IV	1983 I	1982 I	II	III	IV	1983 I	1982 I	II	III	IV	1983 I	
MANUFACTURING, TOTAL	139.8	138.1	137.7	134.5	138.2	195.2	196.4	197.7	198.9	200.1	71.6	70.3	69.7	67.6	69.1	
PRIMARY PROCESSING	137.1	132.3	132.4	129.3	135.6	198.6	199.5	200.4	201.3	202.3	69.1	66.3	66.1	64.2	67.0	
ADVANCED PROCESSING	141.6	141.2	140.5	137.3	139.7	193.5	194.9	196.2	197.6	199.0	73.2	72.5	71.6	69.5	70.2	

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION												1983			
	1973 HIGH	1975 LOW	1982 APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	
MATERIALS, TOTAL	92.6	69.4	70.5	69.4	68.8	68.5	68.2	67.7	66.6	65.7	65.2	67.3	68.3	69.3	70.7	
DURABLE GOODS MATERIALS	91.5	63.6	65.0	64.2	64.0	63.7	63.1	61.9	59.6	58.4	58.4	60.8	62.3	63.9	65.7	
METAL MATERIALS	98.3	68.6	56.2	53.9	52.2	50.7	51.2	51.9	48.6	45.5	46.0	52.4	54.1	57.9		
NONDURABLE GOODS MATERIALS	94.5	67.2	74.4	72.5	70.9	70.2	71.0	72.8	72.5	71.9	71.0	72.7	73.9	74.6	75.8	
TEX., PAPER, & CHEM. MAT.	95.1	65.3	72.5	70.6	68.8	68.0	68.9	70.7	70.3	69.9	69.3	70.8	72.6	73.2	74.2	
TEXTILE MATERIALS	92.6	57.9	73.4	71.5	69.6	69.8	72.3	72.3	73.0	71.6	71.3	73.0	74.1	76.3		
PAPER MATERIALS	99.4	72.4	87.4	86.1	85.3	86.0	88.6	89.8	89.7	90.0	86.5	89.9	89.9	89.0		
CHEMICAL MATERIALS	95.5	64.2	69.0	66.9	65.0	63.7	63.9	66.2	65.4	65.1	65.1	66.0	68.4	69.0		
ENERGY MATERIALS	94.6	84.8	80.2	79.9	79.8	80.0	79.0	76.6	77.6	76.8	76.0	77.5	76.9	76.6	77.3	
	OUTPUT				CAPACITY				UTILIZATION				1983			
	1982 I	II	III	IV	1983 I	1982 I	II	III	IV	1983 I	1982 I	II	III	IV	1983 I	
MATERIALS, TOTAL	138.7	134.7	132.6	128.7	134.3	192.6	193.7	194.6	195.5	196.6	72.0	69.6	68.1	65.8	68.3	
DURABLE GOODS MATERIALS	130.9	127.1	124.7	117.1	124.8	196.4	197.3	198.3	199.2	200.2	66.7	64.4	62.9	58.8	62.3	
METAL MATERIALS	90.9	77.0	73.0	66.5	78.2	142.3	142.4	142.3	142.4	142.6	63.9	54.1	51.3	46.7		
NONDURABLE GOODS MATERIALS	161.0	156.8	155.1	157.0	162.3	214.6	216.1	217.4	218.9	220.2	75.0	72.6	71.3	71.8	73.7	
TEX., PAPER, & CHEM. MAT.	164.5	160.5	158.4	160.8	167.3	225.6	227.3	228.8	230.5	231.9	72.9	70.6	69.2	69.8	72.2	
TEXTILE MATERIALS	101.3	101.8	102.0	103.0	106.9	142.1	142.4	142.8	143.1	143.6	71.3	71.5	71.5	72.0		
PAPER MATERIALS	146.1	142.0	145.9	147.6	149.7	163.8	164.6	165.4	166.3	167.0	89.2	86.3	88.2	88.7		
CHEMICAL MATERIALS	200.0	198.0	188.5	191.9	201.3	287.3	289.6	291.9	294.3	296.7	69.6	67.0	64.6	65.2		
ENERGY MATERIALS	129.8	125.5	123.8	121.5	122.3	156.5	157.0	157.6	158.2	158.8	82.9	79.9	78.5	76.8	77.0	

NOTE: ESTIMATES OF ACTUAL OUTPUT AND CAPACITY OUTPUT ARE BOTH EXPRESSED AS PERCENTAGES OF 1967 ACTUAL OUTPUT. ESTIMATES OF CAPACITY UTILIZATION IN PERCENT ARE CALCULATED AS RATIOS OF (1) THE FEDERAL RESERVE'S SEASONALLY ADJUSTED INDEXES OF INDUSTRIAL PRODUCTION TO (2) THE CORRESPONDING INDEXES OF CAPACITY. INDUSTRIAL MATERIALS ARE ITEMS BOTH PRODUCED AND USED AS INPUTS BY MANUFACTURING PLANTS, MINES AND UTILITIES; INDUSTRIAL MATERIALS COVER MANY OF THE ITEMS REPRESENTED IN THE PRIMARY PROCESSING GROUPING OF MANUFACTURING AS WELL AS SOME OF THE OUTPUT OF MINES AND UTILITIES — SUCH AS IRON ORE, CRUDE OIL, AND ELECTRICITY SOLD TO INDUSTRY.

THE 1973 HIGHS AND 1975 LOWS IN CAPACITY UTILIZATION, SHOWN IN THE TABLES ABOVE, ARE SPECIFIC TO EACH SERIES AND MAY OCCUR IN DIFFERENT MONTHS. INDUSTRIAL PLANTS USUALLY OPERATE AT CAPACITY UTILIZATION RATES THAT ARE WELL BELOW 100 PERCENT; NONE OF THE BROAD AGGREGATE SERIES HAS EVER INDICATED A 100 PERCENT USE OF CAPACITY. CAPACITY UTILIZATION RATES AVERAGED ABOUT 83 PERCENT FOR MANUFACTURING FROM 1955 THROUGH 1979, AND ABOUT 85 PERCENT FOR INDUSTRIAL MATERIALS FOR 1967 THROUGH 1979. IN MANUFACTURING AS A WHOLE, UTILIZATION RATES AS HIGH AS 90 PERCENT HAVE BEEN EXCEEDED ONLY IN WARTIME. THE PEAK RATES OF UTILIZATION IN 1973 WERE ASSOCIATED WITH SIGNIFICANT UPWARD PRESSURE ON PRICES.

THE METHODOLOGY AND THE SERIES ARE DESCRIBED IN FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. REVISED DATA ARE FOUND IN "CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS, JANUARY 1967—DECEMBER 1978." BOTH PUBLICATIONS MAY BE OBTAINED FROM PUBLICATIONS SERVICES, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, WASHINGTON, D.C. 20551